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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/728,226	12/04/2003	Jay S. Walker	98-043-C1	7469

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STAMFORD, CT 06905

EXAMINER

HAYES, JOHN W

ART UNIT	PAPER NUMBER
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3621

DATE MAILED: 09/29/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

10/728,226

Applicant(s)

WALKER ET AL.

Examiner

John W Hayes

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– The MAILING DATE of this communication appears on the cover sheet with the correspondence address –  
Period for Reply

### A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 04 December 2003.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 28-30 and 33-35 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 28-30 and 33-35 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 04 December 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>12/4/03</u> . | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### *Claim Rejections - 35 USC § 102*

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2. Claims 28 and 33 are rejected under 35 U.S.C. 102(b) as being anticipated by Deaton et al, U.S. Patent No. 5,687,322.

As per Claims 28 and 33, Deaton et al disclose an apparatus for determining a discount for a customer, comprising:

-a processor, as stated in column 11 lines 18-20, "As shown in FIG. 1, a check transaction processing system 110 located at a store includes a transaction processor 112 coupled to a disk system 114 that stores the customer database ";

-a storage device that stores a program for directing the processor, the processor being operative with the program to:

-receive transaction data that represents a transaction, as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing.";

-receive a customer identifier that identifies a customer participating in the transaction, as stated in column 5 lines 12-18, "The system includes one or more transaction terminals, coupled to a transaction processor that stores the customer database ...which includes an automatically read customer's identification number, from the point-of-sale (POS) to the transaction processor.";

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-determine a customer rating of the customer, as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing." and in column 69 lines 2-S, "...the host processor 110 utilizes the technique of FIGS 16A and B to generate an indication of whether or not the shopper is a secondary, primary or high volume shopper.");

-determine a time of the transaction, as shown in Figure 16B step 36, 37 and 39, "locate last transaction data in customer's shopping history";

-determine a second discount based on the first discount, the customer rating and the time of the transaction, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-apply the second discount to the transaction, as stated in column 73 lines 9-12, "Alternatively, an electronic incentive could be stored in the processor for use in conjunction with the user's identification such that credit can be automatically given at the subsequent purchase times.". Deaton et al fail to explicitly disclose receiving a first discount associated with the customer. Deaton et al does disclose increasing or decreasing a previous discount based on predefined criteria and tracking the performance of the customer to determine which coupons are redeemed and which are not. (col. 73 lines 24-30). Therefore it would have been obvious to one of ordinary skill in the art at the time of the applicant's invention to implement the system taught by Deaton et al with the addition of storing and receiving to and from the database the first or previous discount earned by the customer in order to provide the base discount from which to increase or decrease future discounts.

Deaton et al also fail to specifically disclose that the customer rating is based on an agreement previously accepted by the customer. Storey discloses a fully integrated on-line frequency award

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program and teaches a method wherein customers join the program and accept the terms of the program wherein customers are rated as to which incentive program they qualify for such as the white, silver and gold programs. Enrollment in these separate incentive programs is restricted to customers who meet the requirements such as maintaining a certain level of purchasing within a given period (Col. 4, lines 4-23). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to include in the method of Deaton et al, the ability to rate the customer based on a previously accepted agreement such as that taught by Storey. This would enable merchants and grocers to determine which customers should be targeted for discounts and coupons to entice them to continue to make purchases.

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 29-30 and 34-35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deaton et al, U.S. Patent No. 5,687,322.

As per Claims 29 and 34, Deaton et al disclose an apparatus for determining a discount . for a customer, comprising:

-a processor, as stated in column 11 lines 18-20, "As shown in FIG. 1, a check transaction processing system 110 located at a store includes a transaction processor 112 coupled to a disk system 114 that stores the customer database...";

-a storage device that stores a program for directing the processor, the processor being operative with the program to:

-receive transaction data that represents a transaction, as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for

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that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing.";

-receive a customer identifier that identifies a customer participating in the transaction, as stated in column 5 lines 12-18, "The system includes one or more transaction terminals, coupled to a transaction processor that stores the customer database ...which includes an automatically read customer's identification number, from the point-of-sale (POS) to the transaction processor.";

-determine a customer rating of the customer, as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing." and in column 69 lines 2-5, "...the host processor 110 utilizes the technique of FIGS 16A and B to generate an indication. of whether or not the shopper is a secondary, primary or high volume shopper.";

-determine a second discount based on the first discount, and the customer rating, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time ...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-determine a time of the transaction, as shown in Figure 16B step 36, 37 and 39, "locate last transaction data in customer's shopping history";

-apply the second discount to the transaction if the time of the transaction is within a predetermined time period, as stated in column 73 lines 9-12, "Alternatively, an electronic incentive could be stored in the processor for use in conjunction with the user's identification such that credit can be automatically given at the subsequent purchase times." and in column 102 lines 66-67 and column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day period and if the customer does, the store gives \$2 off the shopping visit. The store then monitors that customer to see if he

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performed according to the terms and conditions". Deaton et al fails to explicitly disclose that the second discount is based on the first discount and the customer rating, or that the second discount is greater than the first discount. Deaton et al does disclose increasing the customer discount and determining a rating of the customer, as discussed above. Therefore it would have been obvious to one of ordinary skill in the art at the time of the applicant's invention to implement the system taught by Deaton et al with the addition of storing and receiving to and from the database the first or previous discount earned by the customer thereby providing a base discount from which to increase future discounts based on the customer rating in order to entice more valuable customer to increase their spending.

As per Claims 30 and 35, Deaton et al disclose an apparatus for selling food products, comprising:

- a processor, as stated in column 11 lines 18-20, "As shown in FIG. 1, a check transaction processing system 110 located at a store includes a transaction processor 112 coupled to a disk system 114 that stores the customer database...";

- a storage device that stores a program for directing the processor, the processor being operative with the program to:

- receive first transaction data that represents a first transaction, as stated in column 4 lines 57-61, "...to improve a store's marketing and other customer relations programs by collecting transactional data for that store, both current and historical, that can be used to identify new or infrequent customers, develop customer profiles and to perform targeted marketing.";

- receive a first identifier and a second identifier that identifies a customer participating in the first and second transaction, as stated in column 5 lines 12-18, "The system includes one or more transaction terminals, coupled to a transaction processor that stores the customer database ...which includes an automatically read customer's identification number, from the point-of-sale (POS) to the transaction processor.";

- determine a first discount for the customer based on the identifier, as stated in column 103 lines 1-5, "...a store may offer an incentive to come again in the next seven day period and if the customer

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does, the store gives \$2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions...";

-receive second transaction data that represents a second transaction occurring after the first transaction, as stated in column 103 lines 30-33, "An incentive is provided to increase customer purchases, the system monitors and records that incentive in the customer history file, then the system monitors and records the response...";

-determine a customer rating of the customer, as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time ...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-set a second discount based on the first discount and the customer rating, the second discount being greater than the first discount, , as stated in column 69 lines 35-43, "The present invention looks at the history of the shopper in question and induces the shopper to return based upon preselected criteria such as has the customer purchased above a certain amount of dollars ...has the customer purchased over a certain amount of merchandise over a period of time ...at the store to shop within a predetermined time interval.", and in column 73 lines 23-25, "The present system may also be used to lay out future coupons such that incentives are decreased or increased in order to maintain certain required levels of spending.";

-determine a time of the second transaction, as shown in Figure 16B step 36, 37 and 39, "locate last transaction data in customer's shopping history";

-apply the second discount to the second transaction if the time of the second transaction is within a predetermined time period, as stated in column 73 lines 9-12, "Alternatively, an electronic incentive could be stored in the processor for use in conjunction with the user's identification such that credit can be automatically given at the subsequent purchase times." and in column 102 lines 66-67 and



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column 103 lines 1-S, "...a store may offer an incentive to come again in the next seven day period and if the customer does, the store gives \$2 off the shopping visit. The store then monitors that customer to see if he performed according to the terms and conditions". Deaton et al fails to explicitly disclose that the second discount is based on the first discount and the customer rating, or that the second discount is greater than the first discount. Deaton et al does disclose increasing the customer discount and determining a rating of the customer, as discussed above. Therefore it would have been obvious to one of ordinary skill in the art at the time of the applicant's invention to implement the system taught by Deaton et al with the addition of storing and receiving to and from the database the first or previous discount earned by the customer thereby providing a base discount from which to increase future discounts based on the customer rating in order to entice more valuable customer to increase their spending.

### ***Double Patenting***

5. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

6. Claims 28-30 and 33-35 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 24 and 29, respectively, of U.S. Patent No. 6,687,679.

Although the conflicting claims are not identical, they are not patentably distinct from each other. Claims 24 and 29 of U.S. Patent No. 6,687,679 recite all the limitations of claims 28-30 and 33-35, however, recite additional limitations such as determining a grace period based on the customer rating, determining time differences between transactions and wherein the second discount is based on a number of things. However, it would have been obvious to a person of ordinary skill in the art to modify claims 24 and 29 of U.S. Patent No. 6,687,679 by removing the additional limitations resulting generally in

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the claims of the present application since the claims of the present application and the claim recited in U.S. Patent No. 6,687,679 actually perform a similar function. It is well settled that the omission of an element and its function is an obvious expedient if the remaining elements perform the same function as before. *In re Karlson*, 136 USPQ 184 (CCPA 1963). Also note *Ex parte Rainu*, 168 USPQ 375 (Bd. App. 1969). Omission of a reference element whose function is not needed would be obvious to one of ordinary skill in the art.

### ***Conclusion***

7. **Examiner's Note:** Examiner has cited particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that the applicant, in preparing the responses, fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Storey discloses a fully integrated on-line frequency award program and teaches a method wherein customers join the program and accept the terms of the program wherein customers are rated as to which incentive program they qualify for such as the white, silver and gold programs
- Valencia et al disclose a paperless coupon redemption method wherein customer purchases are tracked to determine the timeframe in which they are conducted and wherein the discount value increases with additional purchases of a product within a particular timeframe

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9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

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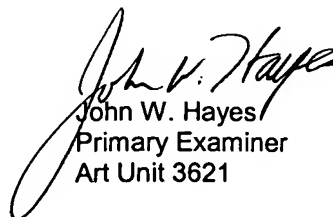
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Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7<sup>th</sup> floor receptionist.

  
John W. Hayes  
Primary Examiner  
Art Unit 3621

September 24, 2004